

TradeSource

July 2021
Issue 23

E-Commerce and Globalization To Grow Your Exports



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How to Grow Business During a Pandemic

In this issue you will find informative articles from our partnership agencies including the International Trade Administration, the Export-Import Bank of the United States, and the U.S. Commercial Service. During the pandemic, businesses had to pivot in some instances to continue to thrive in the global marketplace. These articles will provide best practices for increasing international sales, expanding business operations, and obtaining financial support during uncertain times. In addition, the U.S. Census Bureau provides a snapshot of international trade data on total exports and imports from January 2019–April 2021, and an overview of their international trade program in an engaging podcast.

In celebration of World Trade Month, the Census Bureau presented two webinars on census data tools, and collaborated with other federal agencies on webinars with topics ranging from e-commerce to growing international sales and logistics. Please view the flyer included in this issue for more information about the recorded webinars available online. Thank you for being a dedicated subscriber to our biannual TradeSource newsletter!



Going Global With E-Commerce

The U.S. Commercial Service (CS) is the trade and export promotion arm of the U.S. Department of Commerce's International Trade Administration. It has a network of offices in more than 100 U.S. cities, and more than 75 international markets dedicated to helping U.S. businesses export. U.S. businesses looking to grow their export sales through e-commerce can maximize their efforts by following key steps and taking advantage of federal government help. James Bledsoe, director of the E-Commerce Innovation Lab based at the CS in Tacoma, Washington, provides insight into common e-commerce questions on exporting.

Q: Could you briefly describe e-commerce, and distinguish between B2B and B2C online sales?

A: Simply put, e-commerce is the online sales channels through which a business sells or promotes products and services. [Cross-border e-commerce](#) is selling online to a country outside of yours. Business to consumer (B2C), or retail e-commerce, is online shopping for personal consumption. Business to business (B2B) e-commerce focuses on business resources and materials needed for creating consumer products.

Q: COVID has negatively impacted my ability to sell overseas, how can I take advantage of e-commerce to overcome this, and continue to grow and thrive as a business?

A: [Create a digital strategy](#) to organize and prioritize your online sales effort. The digital strategy integrates into your overall business export strategy to set you up for international online sales success. There is free help with this and more from your local [CS office](#). Reach out and let them know you would like help with improving your cross-border e-commerce sales.

Q: What resources are available to U.S. businesses to help them learn how to acquire more overseas consumers?

A: Your Web site is a great online consumer acquisition tool when it is working properly. Make sure you are using search engine optimization ([SEO best practices](#)) so you can be found during Internet searches, and to let international visitors to your Web site know you are "open for international business." Contact your local CS trade specialist to discuss SEO as a part of developing your digital business strategy.

Q: What should I focus on to begin finding more online consumers for my products or services?

A: Make sure your Web site is functioning properly and can be found online overseas when searched for by potential consumers. Begin with a Web site globalization review (WGR) gap analysis service if you are already working closely with your local CS trade specialist on a digital strategy.

Q: What are the most common mistakes you see from business clients looking to acquire more overseas consumers online?

A: Not understanding the difference between [Web site internationalization](#) and Web site localization as you work towards customizing your overseas consumer approach. Companies need to understand their Web site visitor analytics, SEO performance data, and international user experience. Web site internationalization makes you more effective at acquiring international consumers and provides sound insights into Web site localization efforts (translation, etc.) that can boost your return on investment (ROI).

Q: When selling online overseas, what about planning for budgeting, investment, and time frame for a return on investment in the digital marketplace? Are there criteria for measuring success?

A: The business capital investment and ROI on e-commerce sales channels vary from business to business and industry to industry. Luckily, there are many resources to help you measure success. Your Web site visitor statistics can be used in [e-commerce key performance indicator formulas \(KPI\)](#) to learn things like your Web site's sales conversion rate.

Q: What other federal resources can help U.S. small- and medium-sized businesses succeed in selling more online to overseas markets?

A: Speaking of business working capital, the Small Business Administration's (SBA) [STEP Grant](#) can help you offset the expenses associated with generating online overseas sales. Make sure you are working with a local CS trade specialist on a digital strategy to help you invest wisely in your cross-border e-commerce sales.

Q: Which international markets or regions are seeing strong long-term growth in e-commerce activity? What are some good research tools to find out more about doing business in a particular country?

A: Yes, quite a few regions are seeing e-commerce growth. Asia, led by China's sheer volume, is forecast to lead B2B online manufacturing growth for the next several years. Europe and North America should also see strong growth. As technology continues to evolve, we are seeing more and more markets come "online" with real opportunities for U.S. small- and medium-sized businesses. Our [e-commerce resources](#) page on [trade.gov](#) will provide you with the help and market intelligence you'll need to navigate international online sales for long-term success. The [country commercial guides](#) can also be a helpful resource to mention—many of which include sections specific to e-commerce.

Q: Cybersecurity and ransomware have been in the news recently for respective effect on businesses. Where can I find out more about how to keep my international online business safe?

A: The Cybersecurity and Infrastructure Security Agency (CISA) has created a [ransomware guidance and resource](#) Web site to educate you on the issues and the actions you can take to protect yourself from ransomware and international cybercriminals. We also have a list of cybersecurity service providers on our [e-commerce Business Service Provider \(BSP\) directory](#) that you may refer to in order to handle any pressing issues.





World Trade Month Go Global Webinar Series: 2021

Census Data Tools, Globalization, and E-Commerce

By Wendy Peebles, Lead Outreach Coordinator, U.S. Census Bureau

The month of May is celebrated as World Trade Month; a tradition that has been celebrated for over 90 years. Federal agencies, public and private businesses, world trade centers, and chambers of commerce recognize the importance of international trade to the U.S. economy, and have made efforts to promote and educate individuals new to exporting or expanding exporting opportunities. This year the Census Bureau and our partnership agencies, the Small Business Administration, the Export-Import Bank of the United States, and the U.S. Commercial Service collaborated to bring you valuable information on increasing international growth opportunities.

For your convenience, recordings, transcripts, and presentations are available on the Census Academy Web site at <www.census.gov/data/academy.html>.

May 6, 2021: Global Market Finder and USA Trade Online (Spanish Language).

May 13, 2021: Introduction to the Applied Programming Interface (API).

May 20, 2021: Digital Strategy for Global eCommerce.

May 27, 2021: The Logistics of Growing Global eCommerce.

To stay informed on upcoming presentations from the Census Bureau, visit our outreach page at <www.census.gov/foreign-trade/aes/meetingsandpresentations/index.html>.

International Trade

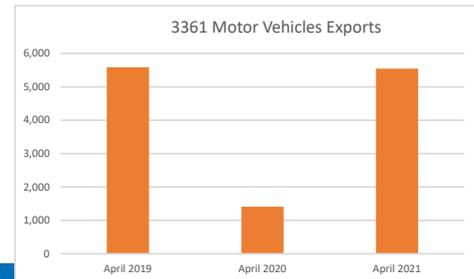
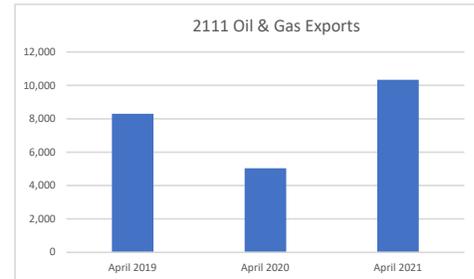
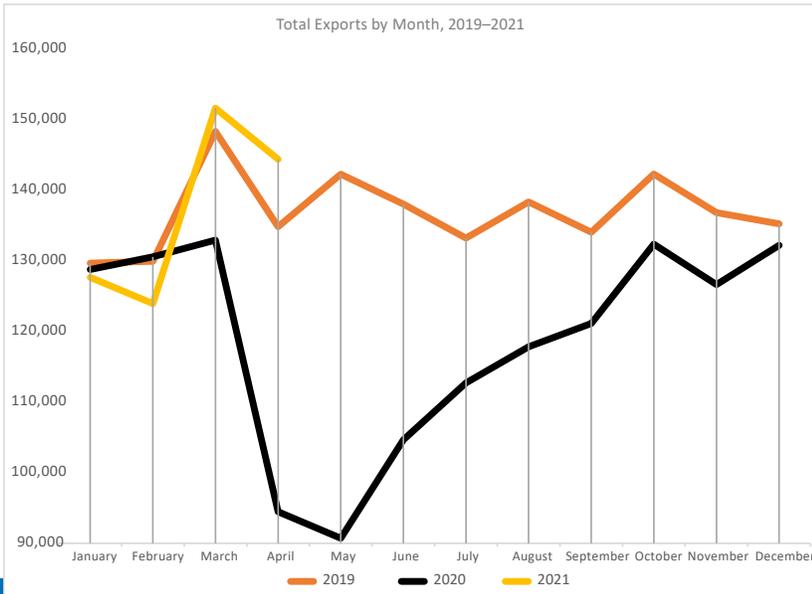
Measuring the U.S. Economy

Trade data like this, and much more, is available at

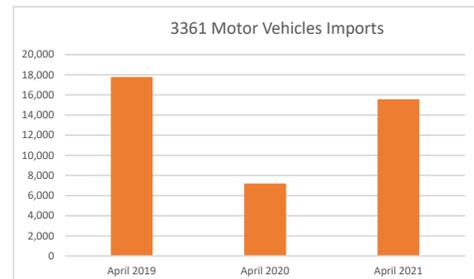
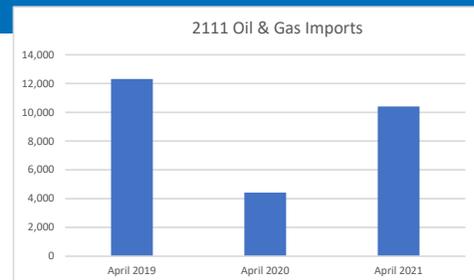
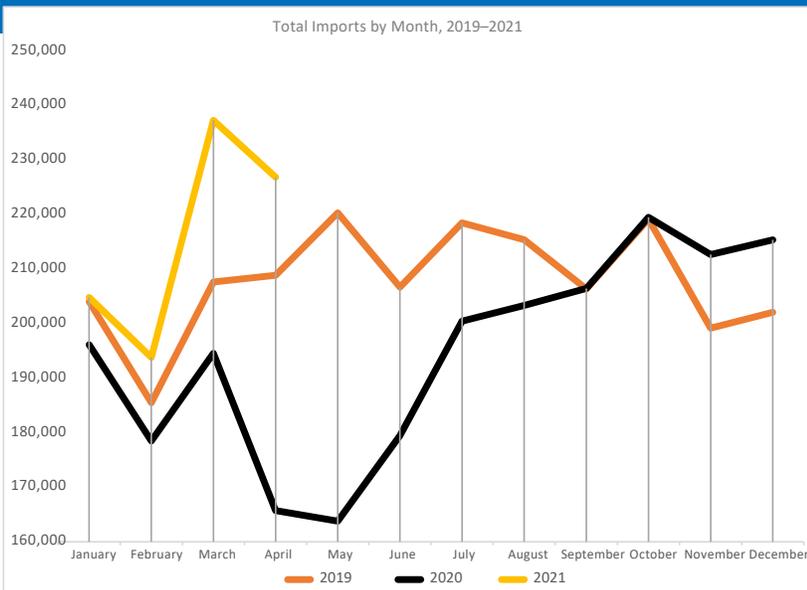
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for your FREE account.



All values are in millions of dollars, not seasonally adjusted. Commodity classification is by four-digit NAICS code.



Boost Your Bottom Line With Exports to U.S. Free Trade Agreement (FTA) Countries

By Curt Cultice, Senior Communications Specialist, U.S. Commercial Service

Free trade agreements (FTAs) between the United States and select trading partners provide low-duty or duty-free access and other benefits for eligible products. Take advantage of FTAs today to increase your competitiveness in markets representing almost 40 percent of U.S. exports. Learn how to benefit from FTAs.

Selling to U.S. FTA partner countries can help your company compete more effectively in the global marketplace through reduced trade barriers.

U.S. FTAs address a variety of foreign government activities that affect your business: reduced tariffs, strong intellectual property protection, opportunities for U.S. exporter input in the development of FTA partner country product standards, fair treatment for U.S. investors, enhanced opportunities to compete for foreign government procurements, and opportunities for U.S. service companies.

Currently, the United States has 14 FTAs with 20 countries. FTAs can help your company more effectively compete in the global marketplace by reducing or eliminating tariffs, and by employing other provisions to increase your competitiveness in foreign markets. While the specifics of each FTA vary, they generally reduce trade barriers and create a more predictable and transparent trading and investment environment.

Use our [FTA Help Center on trade.gov](https://trade.gov) to learn more about how to take advantage of U.S. Free Trade Agreement opportunities by getting answers and guidance on the following:

- Looking to grow your **export sales**? Start from our list of 20 U.S. FTA partner countries. Each resource details FTA agreement parameters and greater market access opportunities through reduced tariffs and other provisions.
- Is there an FTA **preferential tariff rate** treatment for your product? Export tools like the Customs Info Database and FTA Tariff Tool can help you make that determination by allowing you to compare the FTA and the applied, current tariff rates.
- Is your product eligible for FTA **duty-free** or **reduced-duty status**? Take steps to determine if your product qualifies and determine the standard export documentation to use.
- **Rules of origin** are key to determining whether your product qualifies for FTA preferential tariff treatment. Understand rules of origin types, and how to read and apply them.
- When shipping your product under an FTA preferential tariff rate, be sure to include a **certificate of origin**. Learn how to certify the origin of your products, the responsibilities of seller and buyer, and other tips.

Ready to get started? The [FTA Help Center on trade.gov](https://trade.gov) offers a wealth of information on the requirements to successfully navigate these FTA market opportunities.

For more information, contact Roza Pace at <roza.pace@trade.gov>.





Money Matters

Financial Solutions to Close Your Sales

By Stephen Paul Maroon, Director of Marketing, Export-Import Bank of the United States

In today's economy, access to global markets is essential for all U.S. companies. Increasingly, businesses are encountering detrimental risks while seizing growth opportunities where the other 95 percent of the world's population resides. There are numerous occurrences where a U.S. company successfully landed a big sale of consumer goods or U.S. capital equipment only to discover the foreign buyer could not access financing.

The Export-Import Bank of the United States (EXIM) equips U.S.-based exporters with the protection, liquidity, and confidence to enter new markets and increase sales in existing ones. When U.S. companies or their customers are unable to access export financing, EXIM fills the gap by partnering with the private sector and furnishing U.S. businesses with the tools necessary to compete in the global marketplace. EXIM also plays a pivotal role for the other end of the transaction. The agency enables foreign customers to access private sector financing to buy U.S. goods and services. Without financing, there is no sale.

EXIM: Risk Less. Export More.

EXIM is the official export credit agency of the United States. As an independent, self-sustaining federal agency, our mission is to support jobs by financing the export of American goods and services—at no cost to taxpayers. EXIM offers an array of financing options tailored to the needs of exporters—small, medium, or large—and no transaction is too large or small. EXIM supports U.S. business exporters in more than 185 countries.

U.S. companies selling internationally can rely on EXIM support to assist in closing the deal by:

- Mitigating the risk of foreign buyer nonpayment; empowering sellers to offer competitive credit terms.
- Making longer and competitive repayment terms possible for foreign buyers of capital goods and services.

Offering Open Account Credit Terms to Foreign Buyers

EXIM's Export Credit Insurance empowers U.S. companies to win international sales while minimizing the financial risk of exporting. EXIM insures a company's foreign accounts receivable against commercial (e.g., bankruptcy) and political (e.g., sanctions) nonpayment risks in international markets. In this manner, U.S. exporters are assured their bottom line will be protected should their foreign customers fail to pay.

Requiring payment in advance is often the least attractive option for foreign buyers. Paying in advance tends to create cash flow problems as purchasers must wait for the products to arrive before using or reselling. For these reasons, prepayment is not a competitive option for U.S. companies, especially when the buyer has other vendors to choose from. Some buyers have another concern—they are wary the goods may not be sent to them if payment is made in advance. As a result, exporters that insist on this method of payment as their sole method of doing business could find themselves losing out to competitors who offer more attractive payment terms.

EXIM's insurance is the solution to these issues. Its policies empower U.S. companies to negotiate credit terms with foreign buyers up front. The terms are typically 60 or 90 days but can be up to 180 days for consumer durables, and up to 360 days for capital goods. This is an effective marketing tool and can often be the competitive edge that wins deals.

DemeTECH Corporation is a Florida-based manufacturer that produces and exports surgical sutures and blades. Before partnering with EXIM, sales were flat and international orders were limited. The company was unable to provide open account credit terms to its international clients (preventing it from procuring large orders), and its clients did business with other exporters.

Now the company is leveraging EXIM's export credit insurance to reach more than 100 countries and expand its product line and workforce. With protection against nonpayment established, DemeTECH has the confidence to offer more flexible open account credit terms to its customers.

Since partnering with EXIM in 2000, the company has more than quadrupled its revenue. Today, nearly 80 percent of its revenue comes from international exports in the Middle East, Europe, Asia, and Australia.

EXIM's policies are flexible enough to cover an entire export portfolio, a handful of foreign buyers, or just a single buyer. Additionally, most policies come with the added benefit of only paying premiums upon shipment.

Capital Goods Financing for Your Foreign Buyers

Foreign buyers sometimes require a medium- or long-term financing (i.e., more than 5 years) package to purchase U.S. capital goods and services. In cases where private-sector financing is not available, EXIM fills the gap by securing competitive financing for creditworthy international buyers. EXIM can guarantee commercial lender loans, providing longer-term financing for U.S. export sales. The buyers can be sovereign or sub-sovereign governments, or they can be public or private-sector entities. Lender loan guarantees typically have repayment terms of 1-7 years, though they can be up to 18 years.

The EXIM guarantee and insurance provide cover for financial organizations in the event of a payment default by the foreign buyer. EXIM will pay the outstanding principal and interest on the loan. This comprehensive loan guarantee covers commercial and political risks for up to 85 percent of the U.S. contract value. Essentially, the lender carries no risk as EXIM covers 100 percent of commercial and political risks on the "financed" amount after a down payment is made by the buyer. Thus, lenders are more likely to provide a loan to the buyer (often with lower interest rates). Due to this support, U.S. companies have more opportunities to compete and win sales as their buyers can access financing that otherwise would not be available.

An example to illustrate the benefits of EXIM's medium-term financing is Mathews Company. This family-owned manufacturer in Crystal Lake, Illinois, had the opportunity to sell a continuous flow grain dryer to a buyer in Mexico that needed term-financing.

EXIM played a key role in closing the sale by backing a lender loan to the Mexican company. With EXIM financing, the Mathews customer did not need to pay cash in advance, get an expensive letter of credit, or even provide a high down payment.

A long-term transaction (i.e., more than 5 years) enabled Acrow Bridge of New Jersey to boost its exports. The company turned to EXIM when private financing was unavailable for its buyer. EXIM guaranteed a \$73 million loan to Zambia supporting 144 bridge projects. Thanks to this support, Acrow's proposals were chosen over bids submitted by its European and Asian competitors.

Increase Your Export Sales Now!

The international market is primed for U.S.-based companies to diversify their customer portfolio, boost sales, and reduce excess inventory. EXIM's products can enable these companies to close deals when foreign buyers cannot get financing from the private sector. EXIM's support often becomes the bullpen closer! By assisting with buyer financing, EXIM allows U.S. companies to venture into new markets, increase sales with existing customers, and boost jobs at home.

To obtain a free trade finance consultation, register at <<https://grow.exim.gov/contact-a-trade-finance-specialist>>. To learn more about how EXIM can assist your company in the global marketplace, contact Director of Marketing Stephen Maroon via e-mail at <stephen.maroon@exim.gov> or navigate the Web to <www.exim.gov>.





TRADE PODCAST

The Census Bureau provides valuable resources and training on various sectors of the economy including construction, international trade, manufacturing, wholesale trade, retail trade, and services. Join Omari Wooden and Matt Przybocki during the Hidden Gem of Economic Indicators podcast to learn more about the international trade program at the Census Bureau. The Census Bureau releases information on the import and export of commodities such as soybeans, wheat, rice, chemicals, steel, aircrafts, and lumber. These timely and detailed trade statistics are exactly what you need to start exporting or expand your opportunities into new markets abroad. Learn more about these tools and resources in this podcast.

Please contact the International Trade Help Line to speak with a representative to ensure export compliance with the Foreign Trade Regulations and filing Electronic Export Information (EEI) via the Automated Commercial Environment. Select from the options below to put you in touch with a qualified expert.

International Trade Help Line: 800-549-0595

Automated Export System, Option 1

Schedule B Commodity Classification, Option 2

Foreign Trade Regulations and Export Filing Requirements, Option 3

Trade Data Products, Option 4

Outreach Activities, Option 5



Learn more:

www.youtube.com/watch?v=xvqNNmzM2Jc&t=47s.



Contact Information

International Trade Helpline	
Global Reach blogs: <www.census.gov/newsroom/blogs/global-reach.html> 800-549-0595 (see menu options below)/*Secure fax: 301-763-8835 (all branches)	
<p style="text-align: center;">Assistance With the Automated Export System, Option 1</p> <p style="text-align: center;">Monday-Friday 7:30 a.m.-6:00 p.m. (Eastern Time) Fax: 301-763-6638 E-mail: <askaes@census.gov></p>	<p style="text-align: center;">Assistance With Commodity Classification, Option 2</p> <p style="text-align: center;">Monday-Friday 8:30 a.m.-5:00 p.m. (Eastern Time) Fax: 301-763-4962 E-mail: <eid.scheduleb@census.gov></p>
<p style="text-align: center;">Assistance With Regulatory Guidelines, Option 3</p> <p style="text-align: center;">Monday-Friday 7:00 a.m.-5:00 p.m. (Eastern Time) Fax: 301-763-4610 E-mail: <emd.askregs@census.gov></p>	<p style="text-align: center;">Assistance With Information on Trade Data, Option 4</p> <p style="text-align: center;">Monday-Friday 8:30 a.m.-5:00 p.m. (Eastern Time) Fax: 301-763-4962 E-mail: <eid.international.trade.data@census.gov></p>
<p style="text-align: center;">Assistance With Trade Outreach, Census Vetting, and Export Reports Authorization, Option 5</p> <p style="text-align: center;">Monday-Friday 8:00 a.m.-6:00 p.m. (Eastern Time) Fax: 301-763-8835 E-mail: <exportreports@census.gov></p>	
Automated Export System (AES) Partnership Agencies	Web Sites
The e-mail addresses below are not secure. Confidential company information should not be sent to these addresses.	
<p>U.S. Customs and Border Protection (CBP), Trade Enforcement and Facilitation</p> <p>For general questions: <ofo-export-cargo.cbp.dhs.gov> For vehicle questions: <cbpvehicleexports@cbp.dhs.gov></p> <p>David Garcia, program manager, Outbound Enforcement and Policy Office of Field Operations 202-344-3277</p>	<p>Export-Import Bank of the United States <www.exim.gov></p> <p>U.S. Department of Agriculture Foreign Agriculture Service <www.fas.usda.gov></p> <p>U.S. Department of Commerce Bureau of Industry and Security <www.bis.doc.gov></p> <p>International Trade Administration <www.export.gov> <www.trade.gov></p>
<p>Bureau of Industry and Security (BIS)</p> <p>Help Desk, Washington, DC 202-482-4811</p> <p>Western Regional Office, Newport Beach, CA 949-660-0144</p> <p>Western Regional Offices, San Jose, CA 408-998-8806</p>	<p>U.S. Census Bureau International Trade Management Division <www.census.gov/foreign-trade></p> <p>U.S. Department of Homeland Security U.S. Customs and Border Protection <www.cbp.gov></p> <p>U.S. Small Business Administration Office of International Trade <www.sba.gov/international></p> <p>Small Business Development Centers <www.sba.gov/sbdc></p> <p>U.S. State Department Directorate of Defense Trade Controls <www.pmdtcc.state.gov></p>
<p>Directorate of Defense Trade Controls, U.S. State Department, Washington, DC</p> <p>Response Team 202-663-1282</p> <p>D-Trade Questions 202-663-2838</p>	<p>U.S. Treasury Department Office of Foreign Assets Control <www.treas.gov/offices/enforcement/ofac></p>